

**FINAL**

**Statement of  
Tom Thompson, Deputy Chief  
Forest Service  
United States Department of Agriculture  
Before the Subcommittee on  
Energy and Mineral Resources  
Committee on Resources  
United States House of Representatives  
Concerning  
The 2003 Minerals and Geology Program  
February 14, 2002**

Madam Chairman, thank you for inviting me here today to discuss our 2003 minerals and geology program. I am Tom Thompson, Deputy Chief of the Forest Service. With me today is Hank Kashdan, Director of Program and Budget Analysis.

Today I would like to briefly describe the Forest Service Minerals and Geology Management program and how we are using available resources to implement the National Energy Policy.

The National Forests and Grasslands have historically provided substantial benefits to the public through exploration and production of energy and mineral resources - not the least of which have been the prodigious quantities of coal from the Powder River Basin in Wyoming. Coal began replacing wood as a primary fuel during the 1800's and early 1900's. This switch to using the concentrated energy found in coal allowed us to not only maintain, but to make significant improvements, in the many amenity values the public enjoys in our nation's forests today.

Today, energy and minerals production from our National Forests and Grasslands continues to provide valuable, but often overlooked benefits. This includes benefits to the environment, the economy, rural community stability, and increased revenues. These benefits are obtained in an environmentally sensitive manner and require only a relatively small, short-term footprint on the land.

National forests contain a number of world-class mineral deposits. For example, the only platinum mine in the western hemisphere lies within a national forest. An environmental benefit, not widely known, is that platinum, produced from NFS lands, is an essential component of catalytic converters. These converters, required in almost every gas-powered vehicle are used to reduce harmful emissions and increase the quality of the air we breathe.

In FY 2000 alone, as stated in "Mineral Facts – Minerals on National Forest System Lands," released in November 2001, coal that would fill 750,000 rail cars and enough natural gas to heat 1,200,000 homes came from national forest system lands.

About 3 years ago Forest Service economists conducted an analysis which showed that during the last 10 years, energy and minerals production from national forest system lands have sustained over 100,000 jobs annually while the total value of all production is estimated to exceed \$25 billion. In addition, the federal government and the States have shared in over \$2 billion in revenues collected from energy and minerals leasing on national forest system lands.

The minerals and geology program emphasizes maintaining sustainable forest resources, protecting watershed health, providing for public safety, and managing significant geologic resources while providing thorough and timely environmental review of proposed projects and monitoring and inspection of ongoing operations.

Major components of the program are:

- **Leasable minerals** - including oil and gas, coal, geothermal, hardrock minerals in acquired lands, and certain other commodities specified in law. Some minerals produced from NFS lands in FY 2000 include:
  - Coal –79 million tons
  - Oil - 8.3 million barrels
  - CO<sub>2</sub> – 12 billion cubic feet

- Natural Gas – 101 billion cubic feet

Prior to leasing, environmental reviews that involve the public and other agencies are completed to determine if leasing is acceptable and whether special measures are needed to protect the environment. After lease issuance, site-specific environmental analyses are completed, and operations from beginning through final reclamation of the site are monitored.

- **Locatable minerals** - including gold, silver, copper, zinc, molybdenum, and other precious, base, and industrial minerals made available under the Mining Law of 1872.

Some examples of locatable mineral production during FY 2000 are:

- Gold – 529,000 ounces
- Silver – 10 million ounces
- Platinum – 94,000 ounces
- Copper – 178 million pounds

The Forest Service facilitates exploration, development, and production of these resources by reviewing proposed operations in a timely manner to determine if mitigation measures are required to protect other values. If proposals involve large mines or sensitive settings, the Forest Service ensures that environmental impact statements are prepared and that proper mitigation measures are incorporated. Operations are inspected and monitored from beginning until final reclamation is completed.

- **Saleable minerals** - includes sand, gravel, pumice, cinders, building stone, and other fairly common materials that are of considerable importance in meeting community construction, road building, and landscaping needs. Examples of production levels of these minerals from NFS lands in FY 2000 are:

- Aggregate – 13 million tons
- Gypsum - 56,000 tons

- Limestone – 4 million tons

These materials are made available, on a discretionary basis, in small quantities to individuals at no charge, or sold at appraised value or by competitive sale if used commercially. They are usually made available to municipalities, government agencies, and nonprofit organizations at no charge. The Forest Service also uses large quantities of mineral materials in construction and maintenance of public access and facilities.

- **Reserved and outstanding mineral rights** involve privately owned minerals underlying NFS lands. For reserved minerals, the Forest Service implements reserved mineral regulations which are appended to conveyance deeds at the time of acquisition. For outstanding minerals the Forest Service cooperates with developers of private minerals to minimize effects on forest resources and users, and to ensure proper reclamation;
- The **geologic component** of the program involves acquiring and analyzing information on geologic conditions and hazards for purposes of forest planning, project design, public and employee safety, and managing fossils, caves, and other significant geologic features. We are very active in protecting and managing these resources, especially paleontological resources, which often have high commercial value in addition to their scientific, educational, and recreational value.

During FY 2003 we expect to inspect and monitor over 15,000 energy and mineral operations ranging in scale from basic prospecting activities to major mining developments. This is done to ensure operator compliance with permit terms and to determine the effectiveness of measures developed during the NEPA process. We will also complete necessary environmental analyses and coordination with other agencies and the public in the processing of almost 10,000 new proposed operations.

In each case, these numbers represent an increase of approximately 1,000 operations over FY 2002. This additional work is possible because the President's FY 2003 Budget of \$56,049,000 for our minerals and geology management program includes \$5 million that will be committed to new energy operations to implement the National Energy Policy. Of particular importance will be the development of coal bed methane in the Rocky Mountain States. The long-term value of coal bed methane from NFS lands is potentially worth billions of dollars.

In response to Executive Orders No. 13211 and 13212 and the National Energy Policy, the Forest Service developed and Secretary Veneman approved the "Forest Service Energy Implementation Plan". The Forest Service plan assigned responsibilities for specific action items and examined all major energy resources of the National Forest System including hydroelectric, fossil fuels, geothermal energy, and biomass and bioenergy. Also considered were infrastructure, research, and technology transfer.

In an August 6, 2001 followup memo to all Forest Service line officers and staff, Chief Bosworth emphasized his commitment to the complete implementation of this plan within the Forest Service.

Of course we know we are not in this alone. We are working closely with other federal agencies, Indian Tribes, State and local governments, the public, and other interested parties to meet our commitment to meet our Nation's energy needs while protecting the environment.

Madam Chairman, that completes my formal statement. I will be glad to answer any questions you or Members of the Subcommittee may have.